GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:4570
ANSWERED ON:24.04.2000
ENRON POWER PROJECT
SURESH KODIKUNNIL

Will the Minister of POWER be pleased to state:

(a) whether the Government have accorded clearance to the Enron Power Projects in Kannur in Kerala;

(b) if so, the details of the terms and conditions thereof; and

(c) the time by which the project is expected to be completed?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRIMATI JAYAWANTI MEHTA)

(a) : No, Sir. However, the Central Electricity Authority (CEA) has recently accorded techno-economicclearance to the 513 MW Kannur Combined Cycle PowerProject (CCPP) in Kerala which is promoted by M/s Kannur PowerProjects Private Limited and not by Enron.

(b) & (c) : The Kannur CCPP has been accorded TEC by CEA at an estimated completed cost of US $ 210.01 million plus Rs.587.971 crores including Interest During Construction (IDC) and FinancingCharges (FC) of US $ 18.550 million plus Rs.114.485 crores

(@ 1 US $ = Rs.42.00). The TEC stipulates, inter alia, that approval of Government of Kerala for the Final Financial Package

(FFP) shall be made available before approval of the same by CEA.The project shall be executed in accordance with the FFP approved by CEA and the tariff for sale of power shall be worked out on the completed project cost and approved FFP. Any change to the approved FFP shall be done only with the prior approval ofCEA.It is also stipulated in the TEC thatM/s K P P Nambiar and Associates, who are one of the main promoters, shall bring in one or more foreign co-promoters/foreign investors acceptable to the Government of Kerala within 6 months from the date of TEC.

As per the schedule mentioned in the TEC,the project is to be completed within a period of 27 months from the date of financial closure. However, actual completion of the project would depend on the tying up of all pending